



## NEWS RELEASE

**The Copyright Board of Canada  
sets royalties to be paid by  
commercial radio stations for the use of music  
for the years 2008 to 2012**

*July 9, 2010*

**Ottawa.** Today, the Copyright Board of Canada issued a decision setting the royalties that commercial radio stations must pay to the following collective societies representing rightsholders in the music radio stations broadcast for the years indicated in brackets: the Society of Composers, Authors and Music Publishers of Canada (SOCAN: 2008-2010), Re:Sound Music Licensing Company (Re:Sound: 2008-2011) [formerly the Neighbouring Rights Collective of Canada (NRCC)], the Canadian Musical Reproduction Rights Agency and the Society for Reproduction Rights of Authors, Composers and Publishers in Canada (jointly CSI: 2008-2012), the AVLA Audio-Video Licensing Agency and the *Société de gestion collective des droits des producteurs des phonogrammes et de vidéogrammes du Québec* (jointly AVLA/SOPROQ: 2008-2011) and ArtistI (2009-2011).

A Canadian radio station that broadcasts recorded music off a server reproduces and communicates musical works, performers' performances and sound recordings. Four copyrights and two remuneration rights must be accounted for. Collective societies filed five separate tariffs dealing with one or more of those rights. At the request of the Canadian Association of Broadcasters, the objector to the tariffs, the Board consolidated their examination and for the first time was able to set tariffs for all of those rights at the same time.

Today's decision leaves the rates for SOCAN and Re:Sound unchanged at 4.4 and 2.1 per cent, respectively, for gross income above \$1.25 million. The rate for CSI increases from 0.8 to 1.2 per cent. This increase essentially reflects a higher value of music already attributed to both SOCAN and Re:Sound in a previous decision. The Board concluded that this higher value should equally apply to CSI.

Two new groups of rights owners will now be able to collect royalties on account of the reproductions of music made by commercial radio stations: makers of sound recordings and performers. In that regard, the AVLA/SOPROQ rate is set at 1.2 per cent and that of ArtistI at 0.02 per cent, again for gross income higher than \$1.25 million.

Today's decision increases by about \$13 million the total amount of royalties that commercial radio stations will pay to music rights owners. The Board recognized that this is an important

increase, even though it is barely one-fifth of the increase the collectives had asked for. The increase does not reflect an increase in the fundamental value of music. It is mainly the result of the introduction of two new rates, for the reproduction of sound recordings and of performers' performances, which broadcasters already used but for which they had yet to pay.

Mr. Gilles McDougall, Acting Secretary General of the Board, explained that "when taking into account the lower rates that apply to lower revenues and to low music use stations, as well as the Re:Sound reduced payment of \$100 on the first \$1.25 million of advertising revenues, we estimate that the royalties to be paid by all commercial stations in a year will total about \$85 million." Of that amount, about \$51 million will go to SOCAN, \$13 million to Re:Sound, \$11 million to CSI, \$10 million to AVLA/SOPROQ and \$200,000 to ArtistI.

"With total radio stations revenues slightly over \$1.5 billion for 2009", added Mr. McDougall, "the effective total royalty rate to be paid by radio stations is 5.7 per cent. This corresponds to the proportion of their revenues that commercial radio stations will be paying to all rights owners for their use of music."

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Note: The reasons along with a Fact Sheet and the certified Tariff, can be found on the Board's Web site under "What's New – Recent decisions" at the following address: <http://www.cb-cda.gc.ca/home-accueil-e.html>